



# REPORT TO THE CONGRESS



LM096429

## The Legal Services Program-- Accomplishments Of And Problems Faced By Its Grantees

B-130515

Office of Economic Opportunity

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on the accomplishments of and problems faced by Legal Services program grantees. Federal participation in this program is administered by the Office of Economic Opportunity.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and the Acting Director, Office of Economic Opportunity.

A handwritten signature in black ink, reading "James B. Axtell", is positioned above the title of the Comptroller General.

Comptroller General  
of the United States

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## ABBREVIATIONS

CAP	Community Action Program
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
MIS	management information system
OEO	Office of Economic Opportunity

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

THE LEGAL SERVICES PROGRAM--  
ACCOMPLISHMENTS OF AND PROBLEMS  
FACED BY ITS GRANTEEES  
Office of Economic Opportunity  
B-130515

D I G E S T

WHY THE REVIEW WAS MADE

The public and the Congress are concerned about the operations and accomplishments of the Legal Services program of the Office of Economic Opportunity (OEO).

The General Accounting Office (GAO) reported to the Congress on the effectiveness and administration of the program in August 1969. (See p. 17.)

To follow up on the matters reported then and to provide the public and the Congress with current information, as well as suggestions for improvements, GAO reviewed the activities of eight Legal Services program grantees.

GAO also reviewed 19 randomly selected annual evaluation reports of program grantees. These reports were prepared during 1970 and 1971 under contracts awarded by OEO.

The President's budget for fiscal year 1974 contains no direct appropriations for OEO. Legislation establishing a Legal Services corporation to operate the program has been introduced in the Congress. Observations in this report should be of value to the successor organization (if created) in establishing policies and procedures to govern the provision of legal services.

Background

The Legal Services program seeks to provide representation which will benefit the poor and help alleviate their problems through legal processes.

The program began in 1965 as a \$600,000 experiment and has grown steadily. Through fiscal year 1972, the Federal Government invested about \$315 million in the program. About \$71.5 million will be spent in fiscal year 1973.

GAO reviewed seven standard program grantees in New York, Puerto Rico, California, Montana, Colorado, and Minnesota which employed attorneys to provide legal services. GAO also reviewed the Wisconsin Judicare project, under which legal services provided by private attorneys were paid for by the project from OEO funds.

The review covered grantee activities during 12-month grant periods ended during calendar year 1971. OEO provided the eight grantees with about \$8 million for these periods.

FINDINGS AND CONCLUSIONS

Results of operations

The seven standard program grantees provided legal services to a number

of persons to whom such services otherwise might not have been available. Adequate data was not available to determine these numbers.

Grantees could increase their programs' effectiveness if they developed clearer and more detailed plans to achieve program goals and if OEO developed a reliable system to gather data on grantees' accomplishments.

GAO noted only limited achievements by most grantees in the economic development and law reform areas. (See p. 11.) This partly happened because the grantees had neither clearly defined objectives and priorities nor set operating plans to achieve these goals. (See pp. 11 and 17.)

The grantees provided the poor with the same scope of civil representation that was available to those able to afford attorneys. The grantees were involved to some extent in the following areas, which are goals of the OEO Legal Services program:

- Providing quality legal services to the greatest possible number of poor people. (See p. 19.)
- Educating target-area residents as to their legal rights and responsibilities. (See p. 22.)
- Ascertaining what rules of law affecting the poor should be changed to benefit the poor and achieving such changes (law reform). (See p. 14.)
- Serving as advocates for poor clients in the social decision-making process. (See p. 22.)

--Helping the poor in forming self-help groups (economic development). (See p. 11.)

--Involving the poor in the grantees' decisionmaking processes. (See p. 23.)

GAO had considerable difficulty interpreting and analyzing results reported by the grantees. They had not defined their objectives in operational terms. Their records were inadequate. And the confidentiality of the attorney-client relationship precluded GAO from reviewing certain records.

Adequate data was not available to determine the actual number and types of cases handled, to measure achievements in some program goal areas, and to compute the average cost for cases handled. (See p. 25.)

#### Management and administration

Standard program grantees need to improve their management and administration so they can use resources more effectively and efficiently. Grantees could improve their determinations of persons' eligibility for legal assistance by

- complying more with income limitations (see p. 31),
- recording complete data supporting persons' eligibility (see pp. 31 to 33), and
- requiring supervisory reviews of grantee attorneys' client eligibility determinations (see p. 33).

Non-Federal contributions need to be documented adequately and should represent allowable contributions. (See p. 35.) Grantee controls over client deposits also need to be improved. (See p. 36.)

#### Wisconsin Judicare

Although established in 1966 as an alternative method of providing legal services to the rural poor, Wisconsin Judicare was not designed to test its own effectiveness nor its effectiveness in comparison to standard Legal Services program grantees.

Consequently, Wisconsin Judicare has not been evaluated in depth, and standard methods of delivering legal services and the value of the judicare concept remain in question.

OEO did not establish

- a systematic method of extracting information, such as the cost of each type of legal case handled, needed for documenting judicare results and for comparing Wisconsin Judicare with standard program grantees (see p. 42) or

- a model standard Legal Services program grantee having a system for collecting data for comparison to Wisconsin Judicare (see p. 42).

Emphasis should be placed on developing more reliable data on and measures of judicare accomplishments and on developing a system of collecting data for comparison purposes, so that a basis would exist for objectively assessing and comparing the judicare method with the

methods used by standard program grantees.

OEO took steps in August 1972 to improve the information on judicare project results; however, further improvements are necessary. (See p. 44.)

Wisconsin Judicare provided free legal services in diverse areas to a number of persons to whom such services otherwise might not have been available. The project was involved to some extent in all program goal areas. (See pp. 47 to 49.)

GAO noted the following problems relating to Wisconsin Judicare's operations.

- Private attorneys were involved very little in law reform and economic development. (See p. 45.)

- Services provided in education, advocacy, and economic development were limited to a narrow spectrum of target-area residents. (See p. 45.)

- Private attorneys were not involved in appellate actions. (See p. 46.)

Management and administration of the judicare project should be improved in areas relating to documentation of judicare payments to private attorneys, client eligibility, and non-Federal contributions. (See pp. 51 and 52.)

#### RECOMMENDATIONS OR SUGGESTIONS

The Director of OEO should take actions necessary to remedy the conditions noted above. (See pp. 18, 29, 33, 36, 50, and 53.)



AGENCY ACTIONS AND UNRESOLVED  
ISSUES

OEO generally concurred in GAO's recommendations and promised to take corrective actions so that it could bequeath to the proposed successor organization, the Legal Services corporation, a mechanism that would function effectively in meeting the legal needs of the poor. (See app. II.)

MATTERS FOR CONSIDERATION BY THE  
CONGRESS

The Congress has expressed interest in how effectively and efficiently program grantees operate. In its deliberations on legislation to establish a Legal Services corporation, the Congress may wish to consider the information in this report on program grantees' achievements and operating problems.

## CHAPTER 1

### INTRODUCTION

The legal profession has long acknowledged a responsibility to provide legal services to persons who cannot afford attorneys. At the turn of the century the profession established free legal aid offices to handle civil matters. This was followed by locally funded public defender offices to provide legal services in criminal matters.

Although the number of legal aid and public defender offices throughout the country has increased, the advent of the Legal Services program in 1965 significantly increased the availability of free legal assistance for low-income persons. When initiated, the Legal Services program was placed in the Community Action Program (CAP) of the Office of Economic Opportunity (OEO). In recognition of the importance of legal assistance for the poor, the program was elevated in fiscal year 1970 to the status of an independent office reporting to the Director of OEO.

The President's fiscal year 1974 budget contains no direct appropriations for OEO and provides for the transfer of most OEO programs to other Federal agencies. Legislation establishing a Legal Services corporation to operate a Legal Services program has been introduced in the Congress.

We evaluated the results of program grantees' operations and the manner in which they were administered. Our observations should be of value to the successor organization (if created) in establishing policies and procedures to govern the provision of legal services.

By letter dated March 12, 1973 (see app. II), OEO informed us that it generally agreed with our recommendations and that it would give top priority to remedying the deficiencies pointed out in this report, so that it could bequeath to the proposed successor organization, the Legal Services corporation, a mechanism that would function effectively in meeting the legal needs of the poor.

The overall mission of the Legal Services program is to provide representation which will benefit the poor and help alleviate their problems through the legal process. The

program, which began as a small experiment within OEO, funded 265 grantees which operated 934 offices and employed over 2,000 attorneys in 50 states, the District of Columbia, and Puerto Rico during fiscal year 1971. Under the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2701 et seq.), OEO provided most of the funds (\$71.5 million) for program grantees during fiscal year 1973.

OEO provided about \$8 million to the eight grantees-- seven standard Legal Services program grantees and the Wisconsin Judicare project--for the periods reviewed. (See app. I.) We also reviewed 19 randomly selected annual evaluation reports of program grantees prepared during 1970 and 1971 under contracts awarded by OEO, to ascertain the grantees' achievement of program objectives.

#### ECONOMIC OPPORTUNITY ACT

The Economic Opportunity Act of 1964, commonly referred to as the War on Poverty act, was enacted August 20, 1964, to strengthen, supplement, and coordinate efforts to eliminate poverty in the United States. The act authorized various programs intended to give everyone the opportunity to be educated and trained to work, and to live in decency and dignity. To lead this endeavor, the act created OEO, headed by a director, in the Executive Office of the President.

When first enacted, the Economic Opportunity Act enumerated various programs that could be federally financed but did not mention a Legal Services program. In 1965 the law was amended so as not to preclude the financing of programs other than those expressly enumerated.

In 1966 the Economic Opportunity Act mentioned a Legal Services program for the first time. The 1966 amendments expressly authorized programs providing legal advice and legal representation to persons unable to afford private attorneys. This amendment also specifically authorized funds for the program.

The Legal Services program provisions of the Economic Opportunity Act were amended in 1967. Under these amendments, the program is categorized as one of eight special programs under CAP to stimulate actions to meet or deal with particularly critical needs or problems of the poor which are common to a number of communities.

## PROGRAM GOALS

Section 222 of the act provides for a Legal Services program to:

\* \* \* further the cause of justice among persons living in poverty by mobilizing the assistance of lawyers and legal institutions and by providing legal advice, legal representation, legal counseling, education in legal matters, and other appropriate legal services.

Each grantee is expected to participate, to some extent, in each of the following goals of the Legal Services program.

1. Provide quality legal services to the greatest possible number of poor people in accordance with program goals and the size of the staff.
2. Educate target-area residents as to their legal rights and responsibilities in areas of concern to them.
3. Ascertain what rules of law affecting the poor should be changed to benefit the poor and achieve such changes through test cases<sup>1</sup> and appeals, statutory reforms, or changes in the administrative process.
4. Serve as advocate for poor clients in the social decisionmaking process.
5. Help the poor in forming self-help groups, such as cooperative purchasing organizations and other businesses.
6. Involve the poor in the grantee's decisionmaking process and, to the extent feasible, include target-area residents on the grantee's staff.

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<sup>1</sup>Cases that test the legality or interpretation of a law or regulation.

## ORGANIZATION OF THE LEGAL SERVICES PROGRAM

Legal Services program grantees may be sponsored by community action agencies or other local groups, bar associations, and/or legal aid societies, as determined by the local community.

Although program grantees are usually funded as a part of CAPs, a governing board separate from the local community action agency directs them. OEO's Legal Services program guidelines state that this separation is to insure grantees' independence.

The Office of Legal Services in the OEO headquarters administers the Legal Services program. This office is responsible to the Director of OEO for conducting the program, coordinating program grantees, evaluating the effectiveness of the program, and developing policies and program guidelines.

Administration of the Legal Services program at OEO headquarters is divided into five major units: (1) Operations, (2) Special Counsel for Legal Services, (3) Program Development and Training, (4) Budget and Program Management, and (5) Planning, Technical Assistance, and Evaluation.

Each of the 10 regional Legal Services offices implements headquarters' plans and instructions and is responsible for directing day-to-day activities in its geographical area.

## FUNDING

OEO funding of the Legal Services program has increased steadily from \$600,000 in fiscal year 1965 to an estimated \$71.5 million for fiscal year 1973. OEO reported that Federal funds of about \$315 million and matching funds from non-Federal sources of about \$59 million had been invested in the Legal Services program through fiscal year 1972.

In addition, some funds have been made available to the Legal Services program through the Department of Health, Education, and Welfare (HEW). All States, under the fair hearing requirements of the Social Security Act (42 U.S.C. 1302, as implemented by 45 CFR 205.10), were required to

make lawyers' services available to clients desiring them in public welfare hearings by July 1, 1969.

HEW announced on November 8, 1968, that it would initiate a legal services program which would provide legal counsel to welfare recipients on such matters as evictions, divorces, and wage garnishments. This program is not mandatory; individual States decide on their participation.

One method by which HEW has provided legal services under this program is having State public welfare agencies buy such services from existing OEO-funded Legal Services program grantees. OEO estimates that HEW will provide about \$2 million to its Legal Services program grantees during fiscal year 1973.

CHAPTER 2  
ACHIEVEMENTS AND PROBLEMS OF  
STANDARD PROGRAM GRANTEE'S OPERATIONS

The information we obtained on program results provided some insight into the achievements and problems in grantees' operations. The seven standard program grantees we reviewed provided legal and related services to a number of persons to whom such services otherwise might not have been available.

However, there were indications that most program grantees had not been adequately involved in the program goal areas of economic development and law reform. We believe the achievement of these goals was limited partly because the grantees had neither clearly defined their objectives and priorities nor developed a plan for achieving these objectives.

The program grantees provided the poor with the same scope of civil representation that was available to persons able to afford private attorneys. In some instances the grantees advocated institutional reform of laws and practices which adversely affected the poor, carried on programs which educated the poor as to their legal rights, served as advocates for the poor in the social decisionmaking process, and involved the poor in the decisionmaking process.

We had considerable difficulty interpreting and analyzing the results reported by the grantees because (1) grantees had not defined their objectives in operational terms, (2) grantee records were inadequate, and (3) the confidentiality of the attorney-client relationship precluded our review of certain grantee records.

Adequate data was not available to determine the actual number and types of cases handled; to measure achievements in law reform, economic development, and education; and to compute the average cost for cases handled. In addition, we were unable to fully evaluate the quality and extent of legal services provided by the grantees because attorneys' case files containing pertinent information were confidential and were not available to us.

We believe that emphasis should be placed on developing better operational, managerial, and administrative techniques that will enable program grantees to better serve their intended beneficiaries and provide more reliable data on grantee accomplishments.

The results of the Legal Services grantees' operations and the problems relating to grantee achievements follow.

#### INADEQUATE INVOLVEMENT IN ECONOMIC DEVELOPMENT AND LAW REFORM

Our examination showed that all seven grantees had been involved to some extent in the program goal areas of economic development and law reform and that some grantees had considerable success in law reform. Some specific activities in these two goal areas are discussed in more detail on pages 13 and 16.

Despite these successful efforts, there were indications that most grantees had not been adequately involved in (1) encouraging the poor to form self-help groups and (2) identifying and seeking appropriate reform of statutes, regulations, and administrative practices that unfairly affected the poor. Our analysis of the results of annual evaluations made of 19 program grantees disclosed that a number of the grantees were not doing an effective job in these goal areas.

We believe the achievement of these goals was limited partly because the grantees had neither clearly defined their objectives and priorities nor developed a plan for achieving these objectives.

The absence of data on grantee accomplishments in these goal areas and in the education goal area is discussed on page 27.

#### Economic development

There were indications for 6 of the 7 grantees which we reviewed and 12 of 19 grantee evaluation reports which we analyzed that there had not been adequate involvement in the economic development goal area.



OEO's Office of Legal Services recognized that successful use of the courts and reform of governmental processes, by themselves, would not significantly improve the lives of the poor. It believed that, to break the cycle of poverty and to have the poor achieve middle-class living standards, more far-reaching changes would have to occur in the private sector than in the public sector. It noted that, despite the availability of substantial amounts of Federal funds for housing and economic development, there had been few visible signs of improved conditions in low-income communities. The Office of Legal Services attributed this lack of progress to private entrepreneurs who did not fully use available Federal and private funds for projects in poverty areas.

The Office of Legal Services' approach to economic development is to help the poor in forming self-help groups in their communities; it is hoped that these groups will generate funds to provide more adequate housing, retail facilities, loans, and employment.

The following items indicated that the six grantees had not been adequately involved in economic development.

#### Grantee

- A     A 1971 evaluation report stated that the grantee did not have a dynamic economic development activity. The grantee's executive director, in a 1971 self-evaluation report, stated that little had been accomplished in this area.
- B     An OEO official informed us in January 1972 that the grantee had achieved nothing significant in economic development since 1969.
- C     A 1970 evaluation found that only 1 of the grantee's 10 corporations had worked in the area of economic development. As of October 1971 the grantee had fully staffed only four of the nine economic development units required under its grant.

## Grantee

- D The grantee's deputy director informed us in December 1971 that activities in economic development were nonexistent.
- E A consultant evaluated the grantee and reported to OEO in February 1971 that the grantee had made virtually no progress in economic development.

Of 29 staff attorneys we talked with, 23 said they had not participated in economic development, 3 estimated that they had spent only 1 or 2 percent of their time, 2 estimated that they had spent about 25 percent of their time, and 1 did not estimate his time.

- F The grantee had been involved in organizing and structuring six business enterprises since 1969; five were either never organized or were not organized enough to become operating businesses.

Our analysis of 19 grantee evaluation reports showed that only 5 grantees were reportedly adequately helping the poor in forming self-help groups and that 12 grantees were deficient in this goal area. Moreover, 7 of these 12 grantees were reportedly not involved at all in this goal area. We were unable to determine the extent to which two grantees were involved in economic development because of limited information in the evaluation reports.

As we said earlier, all seven grantees included in our review devoted some effort to economic development. Examples of grantee activities in this goal area during the period covered by our review include

- preparing a lease for a building to house a bus depot;
- assisting tenants in purchasing a 42-unit apartment building;
- assisting a group of State penitentiary inmates to establish a janitorial service to provide employment for ex-felons;

- drafting articles of incorporation for a development corporation in a Model Cities target area;
- preparing a proposal for a food cooperative; and
- assisting in forming a nonprofit grocery store, gas station, and development corporation for migrant farmworkers.

#### Law reform

There were indications for four of the seven grantees which we reviewed and eight of the grantee evaluation reports which we analyzed that there had not been adequate involvement in the law reform goal area.

One of the principal missions of OEO's Legal Services program is to have program grantees challenge--by class action<sup>1</sup> or test case--that portion of the statutory, regulatory, and administrative base of the existing order considered to discriminate against the poor; to research conflicting or discriminating applications of laws or administrative rules; and to propose administrative and legislative changes.

The magnitude of the benefits that the poor can realize through program attorneys' law reform efforts was indicated by a former director of the Office of Legal Services who stated that:

In a series of 16 cases challenging the constitutionality of the welfare residence laws, which were so strongly condemned by the Riot Commission, legal services lawyers have increased the income of the poverty population by several million dollars.

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<sup>1</sup>An action brought on behalf of named plaintiffs and other persons similarly situated but too numerous to be named as plaintiffs.

If their clients' position is sustained in the Supreme Court, as much as \$100 million per annum or more will have been gained for over 100,000 poor people each year.<sup>1</sup>

The following items indicated that four grantees reviewed had not been adequately involved in law reform.

Grantee

- A A 1970 evaluation reported that law reform activities needed strengthening. A grantee official informed us that a heavy caseload in the area of individual services precluded the grantee from emphasizing law reform.
- B A 1969 OEO evaluation reported that grantee corporations had not markedly implemented the national goal. As of October 1971, only four of the eight law reform units required under its grant were operational.
- C The grantee's 1970 self-evaluation report stated that a substantial, organized, and effective law reform program was lacking. The grantee's executive director reported in May and August 1971 that the law reform unit was in a state of flux and not able to produce as much as had been anticipated.
- D A grantee official informed us that the project had not been involved in any significant law reform activities.

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<sup>1</sup> The Supreme Court of the United States upheld the judgments of the district courts in three of the cases, holding that the statutory provision which denies welfare assistance to residents of the State or the District of Columbia who have not resided within their jurisdictions for at least 1 year immediately preceding their applications for such assistance is unconstitutional (Shapiro v. Thompson, 394 U.S.618 (1968)). The other district court cases were stayed pending the decision of the Supreme Court.

Our analysis of 19 grantee evaluation reports showed that only 10 grantees were reportedly adequately engaged in law reform activities and that 8 grantees were deficient in this goal area. Moreover, four of the eight grantees were reportedly not involved at all in this goal area. We were unable to determine the extent to which one grantee was involved in law reform activities because of limited information in the evaluation report.

As we said earlier, all seven grantees included in our review devoted some effort to law reform. Some grantee attorneys had secured important decisions and legislation for the poor. Examples of law reform cases handled by the grantees during the period covered by our review follow.

1. Serrano v. Priest, 487 P. 2d 1241 (1971)--The grantee was successful in this case in which a particular State's use of local property taxes to finance public schools was ruled unconstitutional by the State Supreme Court. The grantee's clients in this case were a group of poor school children and their parents who alleged that they were discriminated against on the basis of wealth because the quality of their education depended largely upon the value of the property that happened to be in their school district.

2. California Welfare Rights Organization v. Carleson, 482 P. 2d 670 (1971)--This was an action which called for the repeal of certain changes made by the California State Department of Social Welfare in the standards and regulations for determining welfare payments which resulted in reduced welfare payments. The State Supreme Court held that the reductions were beyond the Department's authority and that the new standards were partially invalid and inconsistent with welfare regulations. This decision prevented a 24-percent reduction--an average of about \$44 a family--in monthly welfare payments for about 1.4 million recipients.

3. Escalera v. New York City Housing Authority, 425 F. 2d 853 (1970)--This was an action against the housing authority for violation of tenants' rights of due process in eviction and penalty proceedings. The court of appeals determined, and thus established the precedent, that the housing authority's procedures for determining tenancy on the basis of breach of rules and regulations or on the basis of nondesirability violated the minimum standards of due process guaranteed by the 14th amendment.

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The seven grantees' grant applications either contained no provisions relating to economic development and law reform goals or the provisions included were generally descriptive and did not specify information such as what the grantee intended to accomplish, how these objectives would be achieved, and the amount of resources to be allocated.

Grantee officials said that the main reason for the low activity in economic development and law reform was the lack of adequate resources. Grantee officials informed us that their attorneys were fully occupied with meeting individuals' day-to-day needs and that they were therefore unable to devote more time to economic development and law reform.

Also, some attorneys did not agree with the economic development program objective. A number of grantee officials informed us that, because of limited resources and grantee attorneys' lack of expertise in business matters, Legal Services grantees should not assume an active part in economic development activities.

In our August 7, 1969, report on the "Effectiveness and Administration of the Legal Services Program Under Title II of the Economic Opportunity Act of 1964" (B-130515), we also reported that there was little activity in economic development and law reform. We reported, at that time, that apparently only 2 of 34 Legal Services program grantees evaluated were effectively engaged in economic development and only 6 of the 34 grantees were effectively engaged in law reform activities.

On the basis of our review of 34 annual evaluation reports, we concluded that achievement of these objectives had been limited partly because OEO had neither clearly defined program objectives and priorities nor provided the essential direction and guidance to program grantees on how to engage in activities directed toward law reform and economic development. Accordingly, we recommended to the Director of OEO that he more clearly define program objectives and priorities and instruct grantees on how to engage in these activities.

OEO disagreed with our conclusion. It informed us in 1969 that it viewed its immediate objective as one of increasing its law reform and economic development activities without neglecting basic client services and that it had consciously refrained from issuing guidelines, monographs, and formal policy statements on priorities and methodologies because it believed that such determinations could not be made at that time on the basis of the program's limited experience.

### Conclusions

We recognize that certain aspects of the Legal Services program are experimental and innovative and that the program has been in existence less than 8 years. We recognize also that OEO has increased the degree of grantee involvement in economic development and law reform since our 1969 review.

We also recognize the difficulties inherent in establishing precise objectives and priorities for all Legal Services program grantees. We believe, however, that for Legal Services program grantees to adequately plan, program, and budget their resources to meet the major program goals, it is essential for program grantees to have clearly defined objectives and priorities and a plan for achieving these objectives.

We believe that one feasible method of insuring clearly defined objectives and priorities at this time would be for the Office of Legal Services to require grantees, in their grant applications, to define their objectives and priorities and to develop a plan for achieving economic development and law reform objectives.

### Recommendation to the Director, OEO

We recommend that the Director of OEO require program grantees to include in their grant applications statements defining objectives and priorities and indicating how economic development and law reform objectives are to be achieved.

## PROGRAM RESULTS IN OTHER GOAL AREAS

During the 12-month periods covered by our review, the seven Legal Services program grantees provided legal services in diverse areas. The grantees provided a full range of legal work--advice, representation, litigation, and appeal--to a number of clients and were involved to some extent in the Legal Services program goal areas of education, advocacy, and involvement of the poor in the decisionmaking process.

A discussion of achievements in these goal areas follows.

### Providing quality legal services to the greatest possible number of poor people

We were unable to fully evaluate the quality of legal services provided to clients by the grantees because of the confidentiality of the attorney-client relationship discussed on page 10. However, the clients we interviewed generally expressed satisfaction with the services they received. Also, judges whom we interviewed informed us that grantee attorneys generally provided competent legal representation for their clients.

The caseload data which follows is data reported to OEO by the grantees. The discrepancies we noted in this data, which prevent the ascertainment of the actual number and types of cases handled by the grantees, are discussed on pages 25 to 27.

### Extent of legal services provided

Records showed that the seven grantees had accepted 127,309 cases during the 1971 program year. The social program areas in which services were rendered for these cases are summarized below. This data was available for only 9 months of the program year for one of the seven grantees.



<u>Social program area</u>	<u>Number of cases</u>	<u>Percent</u>
Housing	38,637	30
Domestic relations	35,783	28
Administrative mat- ters	16,338	13
Consumer and employ- ment	13,335	11
Miscellaneous	<u>23,216</u>	<u>18</u>
Total	<u>127,309</u>	<u>100</u>

During the 1971 program year, the grantees closed 84,528 cases and referred 15,394 persons to private attorneys or to Government and social service agencies for nonlegal services. The grantees' services for the closed cases are summarized below. The amount of legal work required to dispose of a case may vary from a few minutes to a number of days, depending on the nature of the case.

<u>Service</u>	<u>Number of cases</u>	<u>Percent</u>
Advice	42,798	51
Litigation	23,218	28
Advice and representa- tion without litigation	14,511	17
Administrative hearings	3,776	4
Appeals	<u>225</u>	<u>-</u>
Total	<u>84,528</u>	<u>100</u>

The most common types of services provided by the grantees were advice only and advice and representation without litigation--usually a telephone call or a letter. Although these types of services on the average represented about 68 percent of the caseloads for the seven grantees, they accounted for as much as 85 to 87 percent of the caseloads of four of the seven grantees. Staff attorneys estimated that such cases usually involved from one-half hour to 4 hours of an attorney's time.

About 28 percent of the cases closed by the grantees involved court appearances. Major concerns in these cases included domestic relations and juvenile offenders. Six<sup>1</sup> grantees reported the following results for 3,990 litigated cases.

<u>Results of litigation</u>	<u>Number of cases</u>	<u>Percent</u>
Cases won	2,890	72
Cases lost	465	12
Cases settled out of court	<u>635</u>	<u>16</u>
Total	<u>3,990</u>	<u>100</u>

Quality of services  
provided--clients' views

Most of the 115 grantee clients interviewed stated that they were satisfied with the services they had received. Ten clients were dissatisfied for such reasons as difficulty in communicating with attorneys and attorneys' failure to explain the nature of the case to the client.

Quality of services  
provided--judges' views

The 18 judges interviewed stated that grantee attorneys generally were well prepared and provided competent legal representation for their clients. Some judges stated that they had had problems with some grantee attorneys. The problems pointed out by the judges were courtroom disruptions, disrespectful behavior, falsification of documents, and

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<sup>1</sup>One grantee did not report the results of litigated cases, and the data reported by another grantee covered only a 3-month period.

attorneys who, in the opinion of one judge, were militants interested only in battling the establishment.

#### Accessibility of grantee offices

The grantees' neighborhood law offices generally were convenient to the population they were designated to serve. The 7 grantees operated 72 offices which generally had convenient office hours for their clients.

#### Educating target-area residents

OEO's Legal Services program guidelines provide that a Legal Services program educate eligible people about their legal rights and obligations.

The seven grantees had initiated steps to educate organizations and individuals as to their legal rights and obligations. The grantees used conventional methods, including printed materials, oral presentations, and radio and television announcements. Examples of the grantees' efforts in legal education include:

- Appearing before various community groups, such as welfare rights organizations, to provide information relating to legal rights and changes in the law.
- Advising senior citizens' groups on such matters as preparing wills.
- Publishing periodic newsletters on such issues as credit and evictions.
- Participating in a Spanish-speaking traveling theater project which identified and illustrated law-related problems prevailing in rural communities and how program attorneys could help.
- Publicizing the availability of the grantee's services on radio and television.

#### Advocacy for the poor

Advocacy for poor clients generally refers to the representation of organized community groups of poor people

before State and local government agencies and, more broadly, to the counseling of such groups on questions of policy, procedure, legal rights, and remedies.

All seven grantees had served as advocates for poor clients. For example, grantees:

- Assisted community workers and public housing residents in obtaining approval of funding for the assignment of 16 patrolmen to certain public housing projects.
- Prepared a study that disclosed an urgent need for senior citizens' housing in one county. Subsequently, funds were made available to ease this problem.
- Represented minority groups concerned with increasing minority membership in unions in negotiations with a building trade union.
- Provided representation at a meeting with State and local welfare officials which resulted in policy changes making food stamp purchases more convenient.
- Obtained a local school board's agreement to expand the school lunch program and automatically entitle welfare family students to reduced-price lunches.

#### Involving the poor

The seven grantees had involved the poor, or representatives of the poor, in the grantees' decision-making processes by including them on the governing boards and by employing target-area residents on their staffs.

The Economic Opportunity Act requires that each community action agency have a governing board which has at least one-third of the board members chosen in accordance with democratic selection procedures adequate to insure that they are representative of the poor in the area served.

Generally, at least one-third of the membership of the seven grantees' governing boards comprised representatives of the poor. Most of these representatives had good attendance records at board meetings during 1971.

Also, target-area residents were employed on the seven grantees' staffs. For example, at December 31, 1971, all of one grantee's 57 nonprofessional staff members had been hired from the poverty community through recommendations by representatives of the poor or a local employment service.

## PROGRAM DATA

The number and magnitude of the discrepancies we noted in the grantees' data on accomplishments prevented us from reconstructing accurate caseload data for the grantees and from developing precise data on grantee accomplishments. Consequently, we could not establish the actual number and types of cases handled by the grantees during the 1971 program year nor could we measure grantee achievements in certain program goal areas.

In August 1967, OEO established a management information system (MIS) to help program management at the local level and to aid OEO in its monitoring activities. According to OEO, MIS was designed to identify and describe the types of individuals being helped by the various antipoverty activities and to provide information about program content, progress, impact, and costs--thus providing a basis for evaluating the effectiveness of individual programs, comparing the various programs, and providing a factual justification for continuing, discontinuing, or modifying particular programs.<sup>1</sup>

We examined the MIS reports submitted by the seven grantees to OEO for the 1971 program year to (1) test the accuracy of the reported data, (2) evaluate the accomplishments of the grantees, and (3) evaluate the usefulness of the data to OEO.

We found that

- program grantees were not adhering to the MIS reporting requirements;
- MIS statistical reports on grantee activities were inaccurate and incomplete;
- MIS had not provided management with data needed for monitoring grantee operations, such as data on grantee accomplishments in the program goal areas of economic development, law reform, and education; and

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<sup>1</sup>Effective June 1, 1971, OEO terminated MIS as a national reporting requirement, except for Legal Services and health program grants, while a revised national MIS system was being developed.

--OEO made little use of the MIS reports.

MIS produces quarterly statistical and narrative reports of program operations. OEO considers these reports to be one of the primary means of documenting the accomplishments of Legal Services program grantees. The Legal Services program's quarterly statistical report provides information on client characteristics, social program areas in which services were rendered, types of services provided, overall caseload, sources of clients, staff composition, number of legislative bills drafted, number of oral presentations made, and written materials distributed on legal education. The narrative reports are designed to supplement and interpret the programs' quantitative aspects reported in the statistical section and to give an account of the program's nonquantifiable aspects.

OEO's Legal Services program guidelines provide that grantees' records include an analysis of the kinds of cases handled, the results of cases, and the methods and results of legal education.

For the 1971 program year, each of the seven grantees was required to prepare and submit to OEO four quarterly statistical and narrative reports. We found that 9 of the 28 statistical reports and 15 of the 28 narrative reports were not submitted. An OEO official informed us that less than 75 percent of the Legal Services program grantees submit MIS reports regularly.

Our analysis of source documents and grantees' statistical reports showed that the reports were inaccurate and incomplete. Source data for these reports comes from case intake and disposition forms prepared for each client.

Our test of the intake and disposition forms of three grantees showed that the data in the statistical reports on grantee accomplishments did not agree with the supporting intake and disposition forms. The results of one of our tests of supporting documents maintained by two offices of one grantee for cases handled during one quarter of the 1971 program year follow.

	<u>Number of cases reported</u>	<u>Number of cases shown by supporting documents</u>	<u>Number of cases reported in excess of supporting documents</u>
Accepted	545	449	96
Rejected	183	165	18

Our analysis of the statistical reports also showed that three grantees' reports did not contain information on certain reporting items, such as the results of civil court proceedings and the number of appeals; also two grantees' reports contained mathematical errors.

Although the MIS reports are designed to answer certain basic questions, such as how many people the grantee served, the report format contains no provisions to show the accumulation of grantee accomplishments in economic development, law reform, and education of target-area residents. For example, the MIS report does not reflect the amount of effort and results obtained by grantees in law reform. Therefore, if a grantee is concentrating on law reform, the MIS reports would probably show a decreasing caseload for the grantee while accomplishments may actually be increasing.

In addition, the MIS report format contains no provisions to show expenditures for each individual case by litigation category. Our tests of four grantees' records showed they did not maintain records of each legal case's costs.

We found that the narrative sections of the MIS reports contained brief comments on community relations, grantee operations, and administration and, in some instances, a description of a few significant cases handled by the grantee. For example, one grantee's narrative report commented that certain board members were continually absent from meetings and that insufficient funds had restricted travel and prevented the hiring of certain poor persons.

We also found that OEO made little use of the MIS reports. OEO officials informed us that the Office of Legal Services did not use MIS reports extensively for program management or for refunding decisions. OEO had not compiled an overall summary of the data provided by the MIS reports since 1969. An OEO official informed us in December 1972



that the Office of Legal Services was revising the MIS format to make it more responsive to the informational needs of the Office of Legal Services.

In our 1969 report on the Legal Services program, we reported that the MIS reporting format should be revised to show selective meaningful data for review by management and that Legal Services program grantees should be required to adhere to the reporting requirements of MIS.

By letter dated May 7, 1969, the Acting Director of OEO informed us that OEO was revising MIS and that OEO had conducted two nationwide surveys of all Legal Services program grantees to obtain data for management purposes and for establishing priority needs.

Because OEO was revising the MIS format, we made no recommendation in the 1969 report concerning the contents of the MIS report. Instead, we recommended that the Director of OEO, in association with the development of an improved MIS to meet the needs of the Legal Services program, insure that program grantees comply with the system's reporting requirements.

### Conclusions

We believe that the MIS reports could help management monitor program activities if Legal Services program grantees were required to comply with the reporting requirements of MIS and if the MIS format was revised to obtain selective meaningful data on grantee accomplishments for review by management.

Because needed revisions in the MIS report have been discussed since 1969 but not implemented as of December 1972, OEO officials need to see that the changes are made. It is also essential for all Legal Services program grantees to prepare and submit accurate narrative and statistical reports so that adequate data on the results of program grantee's operations can be accumulated and so that the Office of Legal Services can continually monitor program activities and compare the results with approved plans and objectives.

Recommendations to the Director, OEO

We recommend that the Director of OEO

- require program grantees to comply with the reporting requirements of MIS;
- take steps to insure that revisions in the Legal Services program MIS report are made;
- in improving MIS, insure that consideration is given to including revisions in the report format which provide management with selective meaningful data on grantee accomplishments; and
- require OEO Legal Services program officials to use the MIS reports in monitoring grantee activities.

## CHAPTER 3

### IMPROVEMENTS NEEDED IN

#### STANDARD GRANTEES' MANAGEMENT AND ADMINISTRATION

Standard Legal Services program grantees need to improve their management and administration so that they can use available resources more effectively and efficiently. Grantees could improve their determinations of a person's eligibility for legal assistance by

- complying more with eligibility income limitations;
- obtaining and recording complete data supporting a person's eligibility for legal assistance, particularly in cases involving law reform issues, groups of individuals, and nearly poor persons; and
- requiring supervisory reviews of grantee attorneys' client eligibility determinations.

Non-Federal contributions need to be adequately documented and should represent allowable claims. Also, grantee controls over client deposits need to be improved.

#### ELIGIBILITY

OEO's Legal Services program guidelines provide that OEO not give free legal assistance to individuals who can afford a private attorney. Also eligibility criteria established by legal services programs must include such factors as (1) income and dependents, (2) assets and liabilities, (3) cost of a decent living in the community, and (4) an estimate of the cost of the legal services needed.

The grantees established annual income limits, usually those specified in the OEO poverty guidelines, to determine income eligibility. For example, in 1971 the OEO poverty guidelines provided that a nonfarm family of four qualified for assistance if its annual income was \$3,800 or less.

We examined financial information on 5,693 cases handled by the seven grantees primarily during the 1971 program year. We examined this information, maintained at 13 neighborhood

grantees' law offices, for various periods of the 1971 program year.

For 4,879 of the 5,693 cases, the records showed that reported income was within the grantees' income standards. For the 814 remaining cases (14 percent), we found that for 582 (10 percent) reported annual income exceeded the grantees' income limitations; for 232 (4 percent) we were unable to determine whether the income limitations had been adhered to because such necessary information as incomes and numbers of dependents had not been recorded. In addition, 2 of 13 law offices kept no records on the eligibility of their clients. The rate of questionable eligibility because of overincome and lack of supporting data for the individual grantees ranged between 4 and 25 percent for the cases tested.

The following table shows the extent to which reported annual income exceeded the income limitations for the 582 cases. As shown below, 55 percent of the cases exceeded the annual income limitations by over \$1,000.

Annual income in excess of limitations (dollars)	Number of cases	Percent
1-500	132	23
501-1,000	128	22
1,001-1,500	97	17
1,501-3,000	141	24
3,001-4,500	48	8
over 4,500	<u>36</u>	<u>6</u>
Total	<u>582</u>	<u>100</u>

We also found indications that grantee attorneys did not apply the income limitations uniformly. Attorneys in one neighborhood law office were using higher income limitations than those prescribed by the grantee. Attorneys for another grantee were interpreting the income limitations to mean gross income in some cases and net income in other cases. A staff attorney for one grantee informed us that he had accepted many cases in which clients' incomes exceeded the income limitations because the cases involved problems with

the credit bureau and he used these cases to challenge the credit bureau's practices.

The lack of information to determine eligibility appeared to be a problem particularly in cases involving law reform issues and group representations. We reviewed one grantee's financial records for 168 cases which the grantee identified as being representative of significant law reform issues. For 84 (50 percent) we found that no financial records had been prepared.

We found that the same grantee had provided legal services to certain groups without clearly determining their eligibility. OEO permits group representation if a majority of the persons in the group qualify individually for services.

In some instances, we could find no supporting eligibility data for groups represented by grantee attorneys; when data was recorded, it was usually not sufficiently complete to determine the eligibility of the group or the individual members. For example, in one case the grantee represented a church after a woman requested legal assistance to obtain a refund of \$1,200 paid for church choir robes that she considered to be defective. Although the woman's and the church's eligibility were not established, a staff attorney of the grantee accepted the case and wrote letters to the company requesting it to rescind the contract for the robes and make a full refund to the church. The case was still open at the time of our review.

Grantee officials gave us various reasons for assisting ineligible clients, such as extenuating circumstances existed, eligibility was borderline, new attorneys handled the cases, the cases involved a law reform issue, the client's high unemployment history precluded continual employment, only advice was required, and applicants who were \$500 over the income limitation were accepted because poor people usually have large outstanding debts.

OEO's Legal Services program guidelines also provide that no eligibility standard be inflexible and that an allowance be made in cases of unusual hardship. OEO policy permits grantee attorneys to handle legal cases when a client

is nearly poor, if mitigating reasons exist in the person's financial situation.

It should be noted, however, that grantee records were not documented to show mitigating reasons as justification for accepting nearly poor persons as clients, and, as discussed on page 31, 55 percent of the overincome cases exceeded the annual income limitations by over \$1,000.

We found that generally grantee attorneys made eligibility determinations which were not subject to supervisory review. In addition, 14 of the 19 grantee evaluation reports which we analyzed did not contain any information on the propriety of eligibility determinations.

### Conclusions

Since Legal Services program grantees offer free, but valuable, professional services, the determination of who receives services is significant. By devoting resources to servicing ineligible clients, grantees are depriving those disadvantaged by poverty from obtaining free legal services.

We believe that grantees need to improve their compliance with income limitations and their data supporting a person's eligibility for legal assistance, particularly in cases involving law reform issues, groups of individuals, and nearly poor persons.

Such improvements would help insure that available resources are used more effectively and efficiently and would also enable OEO to better measure the extent to which grantees are reaching persons most disadvantaged by poverty.

### Recommendations to the Director, OEO

We recommend that the Director of OEO

- emphasize to Legal Services program grantees the need to comply with established eligibility income limitations and to obtain and record complete data supporting persons' eligibility for legal assistance, particularly in cases involving law reform issues, groups of individuals, and nearly poor persons and

--require that the propriety of grantee attorneys' eligibility determinations be reviewed by grantee officials and be closely monitored by OEO through the annual grantee evaluation and spot checks by OEO regional office personnel.

## NON-FEDERAL CONTRIBUTIONS

The legislation authorizing the Legal Services program generally requires that a grantee provide a specified percentage of total project costs in cash or in-kind contributions. The rate of non-Federal contributions for six of the seven grantees<sup>1</sup> reviewed was 20 percent for five grantees and 10 percent for one grantee. Grantee records showed that, for the 1971 program year, the six grantees had recorded non-Federal contributions totaling about \$638,000.

We examined selected non-Federal contributions totaling \$180,780 recorded in the 1971 program year. We found that contributions of about \$68,500 recorded by four grantees were questionable because the grantees did not have adequate documentation supporting the contributions or the contributions were not proper. Examples of the contributions questioned and the basis for questioning follow.

OEO instructions pertaining to donated services recorded as non-Federal contributions require that the records show the specific duties performed. Donated services of \$11,572 recorded by two grantees were not substantiated by records showing the specific duties performed.

OEO instructions pertaining to donated services also prohibit adding to the non-Federal contribution recorded for an attorney's volunteer work the value of assistance provided in this work by attorney employees. Donated services of \$552 recorded by one grantee represented the value of services performed by volunteer attorney secretaries.

## Conclusion

Contributions from non-Federal sources represent a significant part of the resources available to program grantees for providing legal assistance to the poor. There is a need for improving program grantee compliance with OEO instructions pertaining to non-Federal contributions to insure that amounts claimed are allowable and supportable.

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<sup>1</sup>One grantee, a delegate agency of a community action agency, did not record or expend non-Federal contributions because the contributions required for all city antipoverty programs were provided in cash by the city government.



### Recommendations to the Director, OEO

We recommend that the Director of OEO require program grantees to comply with OEO instructions on the allowability and documentation requirements of non-Federal contributions. We also recommend that OEO closely monitor grantee efforts to bring about the needed compliance.

### CONTROLS OVER CLIENT DEPOSITS

Our review showed that program grantees had not established adequate controls over cash deposits made by clients to pay for incidental costs, such as court filing fees and publication costs. Two grantees reported client deposit account balances totaling about \$13,100 at the time of our review. The balance on hand for another grantee could not be determined because of inadequate records. Examples of the weaknesses identified in three grantees' controls over client deposits follow.

1. Records were not kept to identify deposits with the names of the individuals making the deposits.
2. The same individual was responsible for accepting money from clients, making bank deposits, maintaining bookkeeping records, and reconciling the bank accounts.
3. Records of individual client deposits could not be reconciled with the deposit control account.
4. Procedures were not established to insure that unneeded deposits were returned promptly to clients.

### Conclusion

Program grantees had not established adequate controls over clients' cash deposits. Grantees need to improve their records on and their handling of client deposits, to adequately account for and safeguard client deposits.

### Recommendation to the Director, OEO

We recommend that the Director of OEO require that OEO's accounting requirements for Legal Services program grantees

be revised to provide for the maintenance of adequate records and the establishment of procedures for handling client deposits.

## CHAPTER 4

### WISCONSIN JUDICARE

Although established in 1966 as an alternative method of providing legal services to the rural poor, Wisconsin Judicare was not designed to test its own effectiveness nor its effectiveness in comparison to standard Legal Services program grantees.

OEO did not establish a systematic method of extracting information needed for documenting judicare results and for comparing them to standard program grantees' results. Data available on project results was inaccurate and incomplete and was not designed to provide for the collection of certain data needed for comparison, such as the cost of each type of legal case handled. Consequently, data was not available to determine such results as the actual number and types of cases handled and the extent and impact of judicare project activities in such program goal areas as law reform.

OEO did not establish a model standard program grantee having a system for collecting data for comparison to Wisconsin Judicare. Consequently, Wisconsin Judicare has not been evaluated in depth, and standard methods of delivering legal services and the value of the judicare concept as an alternative method of providing legal services to the rural poor remain in question.

OEO took steps in August 1972 to improve the information on judicare project results; however, further improvements are necessary to insure adequate systems for collecting, comparing, and evaluating data.

We believe that emphasis should be placed on developing more reliable data on and measures of judicare accomplishments and on developing a system of collecting data for comparison purposes, so that a basis would exist for objectively assessing and comparing the judicare method with the methods employed by standard program grantees.

The information we obtained on project results provided some insight into the benefits and problems of Wisconsin Judicare. Wisconsin Judicare provided free legal services in diverse areas to a number of persons to whom such services

otherwise might not have been available. The project was also involved to some extent in all Legal Services program goal areas.

Our analysis of available records and discussions with project officials showed that (1) private attorneys were involved very little in law reform and economic development, (2) services provided in education, advocacy, and economic development were limited to a narrow spectrum of target-area residents, and (3) private attorneys were not involved in appellate actions. We believe these problems have adversely affected the project's effectiveness.

Wisconsin Judicare needs to improve its management and administration. Judicare payments to private attorneys need to be supported by evidence that clients received legal services, eligibility determinations need to be adequately supported, and non-Federal contributions need to be adequately documented and must represent allowable contributions.

## BACKGROUND

OEO's Office of Legal Services has been concerned with the problem of providing legal assistance to the rural poor who are widely dispersed. The Office of Legal Services has tried to solve the problems posed by distance and population density in rural areas by: (1) circuit riding, in which an attorney regularly visits a series of small substations (churches, apartment houses, general stores) to provide legal assistance and (2) establishing decentralized staff projects which involve several permanent one- or two-man offices distributed over a wide geographic area.

In November 1965, the Wisconsin State Bar Association proposed to OEO a comprehensive program of legal assistance in the rural areas of Wisconsin which would use the judicare concept of providing legal services. Under the proposal, legal services would be provided to the rural poor by private attorneys who would be reimbursed out of funds provided by OEO, rather than by attorneys employed by an OEO-funded organization using circuit riding or decentralized staff methods of providing services.

OEO approved the State bar association's proposal in April 1966 and limited the area to be served by the grant to 26 counties in the northern part of the State. This area was later expanded to cover two more counties and inmates of the State's correctional institutions.

OEO's initial grant of \$240,181 to the Wisconsin State Bar Association for operating the Wisconsin Judicare project covered the period June 1, 1966, to July 14, 1967. OEO has provided funds totaling about \$2 million for the operation of the judicare project through July 31, 1973.

Wisconsin Judicare's objectives, as defined by its rules and bylaws, are to give underprivileged persons

- equal opportunities in litigation and other legal matters,
- equal freedom to choose their attorneys, and
- high quality legal services.

At the time of our review, the judicare project was governed by a board of directors responsible to the State bar association for establishing operating guidelines for the project. The project was administered by a headquarters office in Madison, Wisconsin, until May 1, 1972, when the headquarters was transferred to Wausau, Wisconsin. The headquarters staff consisted of a director, four attorneys, two law students, and an administrative staff of six persons. Their duties included reviewing applicants' eligibility for judicare cards, paying private attorneys, and participating in the Legal Services program goal areas of law reform, economic development, and group advocacy.

Under the judicare project, low-income persons in the 28-county area apply for a judicare card at community action or welfare agencies. These agencies accept judicare card applications, perform preliminary eligibility reviews, issue cards to eligible applicants, and forward a copy of each application to Wisconsin Judicare's headquarters office. Persons do not have to have a legal problem when they apply for a judicare card.

Judicare cards authorize the holder to obtain civil legal services from licensed attorneys in the county of residence or in an adjoining county. The cards expire on May 31 of each year and are renewable for a year on the basis of an affidavit indicating that the cardholder's economic situation has not changed. At August 31, 1971, 2,780 target-area residents held judicare cards.

Any licensed attorney is eligible to provide services through the project if he lives in the target area and is willing to provide legal services to eligible persons at fees established by Wisconsin Judicare. Reimbursements to private attorneys are fixed by a fee schedule for certain services and by certain hourly rates for services not provided for by the schedule in an amount not to exceed 80 percent of the State bar association's minimum fee schedule. Total fees to an individual attorney cannot exceed \$5,000 a year, nor can fees for a single case exceed \$300.

Under Wisconsin Judicare's procedures governing payments to private attorneys, a \$5 fee is paid to a private attorney after he has held the first conference with a person eligible for legal services. Upon receipt of the attorney's billing for the conference, Wisconsin Judicare determines whether further payments may be made for the type of case involved and notifies the attorney if further payments are not reimbursable. If such a notification is not received, the private attorneys proceed with the case and are paid the balance of the fee on the basis of the final billing which they submit upon completion of services.

DATA AVAILABLE FOR  
COMPARATIVE ANALYSIS

Wisconsin Judicare's MIS reports submitted to OEO were inaccurate and incomplete and did not provide for the collection of certain data needed for comparison purposes. OEO required Wisconsin Judicare to use a MIS identical to the system used by other Legal Services program grantees.

Our test of Wisconsin Judicare's records which served as the basis for preparing the MIS statistical reports showed, for example, that the number of people participating in the judicare project as of June 30, 1971, was overstated by 130 and that divorces and annulments sought were overstated by 206. Our analysis also showed that some reports did not contain information on certain reporting items, such as the number of referrals and advice cases closed, and that some reports had mathematical errors.

Also, there were no provisions in the report format for accumulating certain data needed for comparison purposes, such as the cost for each type of legal case handled and the extent and impact of involvement in the Legal Services program goal areas of law reform, economic development, and education.

OEO did not establish a model standard program grantee having a system for collecting data for comparison to Wisconsin Judicare. Consequently, past evaluations of Wisconsin Judicare, with one exception, were restricted to identifying project weaknesses and did not compare Wisconsin Judicare to standard program grantees. Past evaluation reports also indicated that the lack of certain data had limited the observations. For example, a July 10, 1970, evaluation report concluded, in part, that:

All evaluators were of the unanimous opinion that this was not a good evaluation. It is not complete and another evaluation should be made in depth. None of us were satisfied with either the quantity or quality of information obtained.

Only one evaluation attempted to compare the results of Wisconsin Judicare's operations with those of standard Legal Services program grantees. The Bureau of Social Science

Research, in a January 1972 report prepared under an OEO grant, reported to OEO on alternative approaches to the provision of legal services for the rural poor.

The bureau's report attempted to compare Wisconsin Judicare with three Legal Services program grantees which were using the decentralized staff method of providing legal services to the rural poor. The bureau compared grantees in terms of cost and the extent of their involvement in the Legal Services program goal areas.

Although the report did identify some differences in grantees' performance, the observations were limited because certain data for the judicare project and the decentralized staff grantees was not available. The bureau recognized the limitations of its report in comparing grantee operations. The report states that:

Part of the difficulty lies in the fact that most of the available information upon which it is based was collected for administrative purposes, and therefore tended to have a fiscal and policy orientation. \* \* \* With respect to some program features it is not comparative at all, merely presenting information on one program or another; there is far more information presented on the Wisconsin Judicare program than on any of the three staff programs, only because the former has been the object of greater attention and frequent study by others.

The limited information available to compare grantees is illustrated by the bureau's attempt to compare grantee costs by type of case. The report states that the cost comparison was limited because the decentralized staff grantees did not keep the kind of records which would permit detailed comparison of costs for all types of cases.

The bureau selected two types of cases--divorces and bankruptcies--to make cost comparisons. For indirect judicare costs, the bureau had to rely on estimates made by judicare officials and another evaluator; it had to rely on officials of the decentralized staff grantees for the average time attorneys and other personnel spent in handling these types of cases. The report showed that Wisconsin Judicare's costs for



handling these cases were greater than those of the three decentralized grantees.

OEO officials could not tell us why systematic methods to extract information needed for comparison purposes had not been established. They informed us that the Wisconsin Judicare project was established in 1966 and that officials responsible for establishing the project were no longer with OEO. OEO officials informed us, however, that they had experienced difficulties with the former director of Wisconsin Judicare in obtaining information on the project's operations.

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Subsequent to our review, OEO took steps to improve the information available on judicare project results. Also, Wisconsin Judicare has been reorganized as a corporation.

OEO's grant to Wisconsin Judicare for the 12-month period ended July 31, 1973, requires that the (1) audit report for this period contain certain information on amounts paid to private attorneys for completed cases and estimates of the number and cost of open cases, (2) project secure status reports on private attorneys' open cases, and (3) project cooperate and furnish information so that OEO can study and analyze the structure, policies, and operations of the project.

The State bar association desired the project to have a more independent status. Consequently, OEO's grant for the 1972-73 period was awarded to a newly incorporated organization, Wisconsin Judicare, Inc., rather than the State bar association.

PROBLEMS IN  
PROJECT OPERATIONS

We noted several problems relating to the operations of Wisconsin Judicare which we believe adversely affected the project's effectiveness.

Private attorneys' involvement in  
law reform and economic development

Wisconsin Judicare's grant for the 1971 program year provided that the headquarters office staff and private attorneys share the responsibility for involvement in law reform and economic development.

Wisconsin Judicare records showed that the project had been involved in 17 law reform cases during the 1971 program year. However, private attorneys had been involved in only one of these cases, and there had been only three major law reform actions involving private attorneys since the inception of the project in 1966. Of the six economic development projects handled by Wisconsin Judicare in the program year, only one project was handled by a private attorney. An evaluation report prepared by private consultants for OEO reported in May 1971 that there had been virtually no law reform or economic development activity by private attorneys under the judicare project.

Services in education,  
advocacy, and economic development

Wisconsin Judicare's services in the program goal areas of education, advocacy, and economic development were limited to a narrow spectrum of target-area residents.

The project's records showed that there were 38 contacts to educate target-area residents during the 1971 program year. Twenty-six of the contacts were with Indian groups and 12 were with inmates of correctional institutions. We were informed by a former director of Wisconsin Judicare that group advocacy was predominantly for Indian tribes and groups. With respect to economic development, all six projects in which Wisconsin Judicare was involved in the 1971 program year were for the benefit of Indian groups.

A former director of Wisconsin Judicare informed us that there had not been a conscious effort to limit the project's services in advocacy and economic development to Indian groups but that services were provided to these groups because they were the predominant groups seeking help. With respect to educating the poor, the former director stated that it did not seem logical to him to emphasize education of target-area residents when, because of funding limitations, he had to impose restrictions on the cases handled by the project.

#### Appellate actions

OEO's Legal Services program guidelines provide that grantees provide a full spectrum of legal work: advice, representation, litigation, and appeal.

Wisconsin Judicare records showed that private attorneys handled no appeal cases during the 1971 program year. A former director of Wisconsin Judicare told us that the lack of appellate action was attributable to a lack of resources. He stated that private attorneys requested permission for waivers of the \$300 limit per case to enable them to appeal court decisions but that Wisconsin Judicare's governing board had repeatedly denied such requests.

## PROJECT RESULTS

Wisconsin Judicare records showed that 2,714 cases, summarized below, were accepted during the 1971 fiscal year.

<u>Social program areas</u>	<u>Number of cases</u>	<u>Percent</u>
Family problems	889	33
Consumer and employment problems	519	19
Housing problems	253	9
Administrative problems	168	6
Miscellaneous problems	<u>885</u>	<u>33</u>
Total	<u>2,714</u>	<u>100</u>

During the 1971 program year, Wisconsin Judicare closed 1,441 cases which are summarized below.

<u>Services</u>	<u>Number of cases</u>	<u>Percent</u>
Litigation	512	36
Advice	462	32
Advice and representation without litigation	437	30
Administrative hearings	29	2
Appeals	-	-
Referrals	<u>1</u>	<u>-</u>
Total	<u>1,441</u>	<u>100</u>

About 36 percent of the closed cases involved court appearances. The reported results of 419 litigated cases closed by Wisconsin Judicare during the 1971 program year follow.

<u>Type of case</u>	<u>Number of cases</u>	<u>Won</u>	<u>Lost</u>	<u>Settled out of court</u>
Bankruptcy	133	133	-	-
Family problem	183	166	10	7
Housing	84	77	2	5
Consumer	<u>19</u>	<u>11</u>	<u>2</u>	<u>6</u>
Total	<u>419</u>	<u>387</u>	<u>14</u>	<u>18</u>

We were unable to fully evaluate the quality of legal services provided to clients by Wisconsin Judicare because of the confidentiality of the attorney-client relationship. However, the 18 persons we interviewed who had obtained judicare cards and had consulted attorneys generally expressed satisfaction with the services received.

We interviewed 23 persons who had obtained judicare cards; 21 stated that the card-issuing office was easy to reach from their homes; all stated that they did not have to miss work to visit the card-issuing office and were given adequate privacy during interviews at these offices. Of the 23 persons interviewed, 18 had visited a private attorney for services. Only 1 of the 18 stated that a private attorney was not conveniently located to her home.

We also interviewed 13 private attorneys who had provided legal services to the poor through the judicare project. Six stated that they had evening or weekend office hours and the remaining seven stated that they serviced clients outside of regular office hours by appointment.

For the other program goals, Wisconsin Judicare, during the 1971 program year:

- Conducted meetings with Indian groups and inmates of State correctional institutions to explain legal rights.
- Was involved in 17 law reform cases.
- Was involved in five cases of group advocacy work.

- Was involved in six economic development projects.
- Included the required number of target-area residents as representatives of the poor on the project's governing board.

## CONCLUSIONS

To provide a basis for objectively assessing and comparing judicare as an alternative method of providing legal services, data collected on Wisconsin Judicare and standard grantee operations must be expanded and improved. Wisconsin Judicare needs to improve the accuracy, completeness, and type of data it keeps. Also, a data collection system for a model standard grantee should be established.

For the judicare project to achieve its objectives more fully, improvements are needed with respect to (1) private attorneys' involvement in certain program goal areas, (2) extending the population segments to which certain services are provided, and (3) the scope of legal services provided, in order to increase the effectiveness of Wisconsin Judicare.

## RECOMMENDATIONS TO THE DIRECTOR, OEO

We recommend that the Director of OEO require that:

- Wisconsin Judicare accumulate accurate and complete MIS data on its operations, including data on its activities in the program goal areas of law reform, economic development, and education.
- A data collection system be established for a standard program grantee for comparison with Wisconsin Judicare.
- Private attorneys become more involved in law reform and economic development.
- The services provided in education, advocacy, and economic development be extended to include diverse segments of the intended beneficiaries.
- Wisconsin Judicare include appellate actions by private attorneys in its legal services.

WISCONSIN JUDICARE'S  
MANAGEMENT AND ADMINISTRATION

Wisconsin Judicare needs to improve its management and administration so that available resources can be used more effectively and efficiently. Financial and other weaknesses identified during our audit follow.

- Judicare payments to private attorneys were not supported by evidence that clients received legal services.
- Data supporting eligibility of judicare cardholders was inadequate for 10 percent of the cardholders tested.
- Recorded non-Federal contributions of \$37,300 were not allowable under OEO requirements or were inadequately documented.

The director of Wisconsin Judicare informed us that corrective action would be taken with respect to the allowability and documenting of non-Federal contributions.

Payments to private attorneys

We were unable to determine the propriety of Wisconsin Judicare's payments to private attorneys because the available records did not show evidence that legal services were furnished. About \$135,700, or 54 percent, of the \$251,700 spent by Wisconsin Judicare during the 1971 program year represented payments to private attorneys.

Our examination of 100 payments totaling \$3,495 made to private attorneys showed that the payments were made on the basis of attorneys' billings to Wisconsin Judicare for services rendered. Supporting evidence for the payments did not show that the clients had received legal services. We were unable to contact the clients and determine from them whether they had received legal services because the confidentiality of the attorney-client relationship would not permit us to identify the names of clients for whom payments were made.

Wisconsin Judicare officials informed us that private attorneys are not required to submit supporting evidence showing that legal services were furnished to clients.



The officials believed that there was no need to establish such a requirement in dealing with attorneys. The officials also stated that procedural changes involved in obtaining such documentation would make private attorneys less receptive to the project since it would question their integrity.

OEO regional office officials agreed that payments made to private attorneys should be based on evidence supporting clients' receipt of services; however, they said that they would not insist on such documentation because of opposition from project officials.

### Eligibility

Wisconsin Judicare's eligibility standard for legal assistance provides that, besides income, other factors--equity in real and personal property--be considered when determining eligibility. Wisconsin Judicare has established maximum amounts for these nonincome factors.

We examined the financial information on 130 active cardholders selected at random from the 2,780 active cardholders on file at August 31, 1971. For 13, or 10 percent, of the 130 cardholders, we were unable to determine whether Wisconsin Judicare's eligibility standard had been adhered to because such necessary information as income and equity in real or personal property had not been recorded. For 2 of the remaining 117 cardholders, the records showed that reported financial data exceeded Wisconsin Judicare's eligibility standard.

### Non-Federal contributions

The rate of non-Federal contributions for Wisconsin Judicare was 20 percent of its costs for the 1971 program year. OEO instructions permit donated personal services to be recorded as non-Federal contributions; however, they prohibit services from being treated as part paid and part volunteer, and they prohibit services of persons regularly employed by community action agencies from being recorded as non-Federal contributions. OEO instructions also require donated services to be supported by records showing the specific duties performed.

Project records showed that non-Federal contributions in donated personal services totaling \$66,600 had been recorded for the 1971 program year. Recorded contributions of \$37,300 were questionable because they were not allowable under OEO instructions or were inadequately documented. Included in the \$66,600 were

- \$15,800 which represented that part of the private attorneys' claims for providing legal services which were not paid by Wisconsin Judicare because the claim exceeded the project's fixed fee for the type of service provided,
- \$15,600 for services rendered by persons regularly employed by community action agencies, and
- \$5,900 for services which were not supported by records showing the specific duties performed.

We brought this matter to the attention of the director of Wisconsin Judicare who stated that corrective action would be taken.

### Conclusions

Our review showed that improvements were needed in the data maintained by Wisconsin Judicare supporting judicare payments to private attorneys and supporting persons' eligibility for legal assistance. Such improvements would help insure that available resources are used more effectively and efficiently and would provide a basis for determining the propriety of judicare payments to private attorneys.

Our review also showed that Wisconsin Judicare had deviated from OEO requirements with respect to the propriety and documentation of some non-Federal contributions. The director of Wisconsin Judicare promised to correct this deviation.

### Recommendations to the Director, OEO

We recommend that the Director of OEO require that:

- Wisconsin Judicare payments to private attorneys be supported by evidence showing that legal services had been furnished to clients.

- Wisconsin Judicare obtain and record complete data supporting client eligibility.
- OEO officials follow up on Wisconsin Judicare's efforts to improve the handling of non-Federal contributions.

## CHAPTER 5

### SCOPE OF REVIEW

We reviewed the operations and selected administrative practices of eight Legal Services program grantees in New York, Puerto Rico, California, Montana, Colorado, Minnesota, and Wisconsin. Seven of the grantees were standard program grantees which employed attorneys to provide legal services, and one was the Wisconsin Judicare project under which legal services are provided by private attorneys and paid for by the project.

In addition, we reviewed 19 randomly selected annual evaluation reports for the 256 standard program grantees operating in February 1971, to ascertain the grantees' achievement of program objectives. The evaluation reports were prepared during 1970 and 1971 under contracts awarded by OEO.

We analyzed and evaluated the results of Legal Services grantee operations and the manner in which they were administered. Our review covered the eight grantees' activities during 12-month grant periods ended during calendar year 1971.

We reviewed applicable legislation, policies, program documents, reports, correspondence, and other pertinent records and interviewed officials of the grantees, local bar associations, and local community action agencies concerning activities during 1971 and 1972. We also reviewed records and reports and interviewed officials at the headquarters office and pertinent regional offices of OEO.

In addition, we interviewed 138 clients to obtain their views and comments on the grantees and the services received and 18 judges to obtain their views and comments on the competence of grantee attorneys' representation of clients.

## FUNDS PROVIDED BY OEO TO THE GRANTEES

## FOR THE PERIODS REVIEWED

<u>Grantee</u>	<u>Period covered</u>		<u>Federal funds provided</u>	Required non-Federal funding (note a)
	<u>From</u>	<u>To</u>		
A	5-1-70	4-30-71	\$ 173,992	\$ 78,624
B (note b)	1-1-71	12-31-71	919,206	184,448
C	10-1-70	9-30-71	4,347,505	-
D	9-1-70	8-31-71	464,017	98,872
E	3-1-70	2-28-71	1,035,881	264,944
F	4-1-70	3-31-71	79,940	20,000
G	9-1-70	8-31-71	449,000	49,614
Wisconsin Judicare	8-1-70	7-31-71	<u>281,670</u>	<u>74,000</u>
Total			<u>\$7,751,211</u>	<u>\$770,502</u>

<sup>a</sup>Represents local contributions required under the Federal funding agreements.

<sup>b</sup>Funds pertain to a grant covering the 12-month period ended May 31, 1971.

## OFFICE OF ECONOMIC OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

Date: March 12, 1973

Reply to

Attn. of: J. Laurence McCarty, Acting Associate Director, Office of  
Legal Services

Subject: OEO Comments on GAO Report on the Legal Services Program

To: Franklin A. Curtis, Associate Director  
Manpower and Welfare Division  
U.S. General Accounting Office

Your Report was referred by the Acting Director of OEO to me, the Acting Associate Director of Legal Services, for comment.

I am delighted to have at my disposal so early in my assignment such an objective and detailed diagnosis of the Program's deficiencies. I have instructed my staff to give top priority to remedying these deficiencies so that we can bequeath to our proposed successor organization, the National Legal Services Corporation, a mechanism which is functioning smoothly and effectively in meeting the legal needs of the poor.

On the other hand, I was shocked to learn that the main source of legal services statistics and the primary means of documenting the accomplishments of the program---the so-called Management Information System (MIS)---was so unreliable. You point out, for example, that grantees were not adhering to reporting requirements of the MIS (according to one source less than 75% of the grantees submit regular reports), and that much of the data in the reports that were submitted was incomplete and inaccurate. You further note that MIS reports were not extensively used by the Office of Legal Services either for program management or in refunding decisions.

Members of the staff I inherited were aware of these problems and had already initiated corrective action. The Office of Legal Services is now in the process of revising and simplifying the MIS form, and I have approved the completion of a project to computerize the data-gathering system. I can assure you that no effort will be spared to make this vital management tool (MIS) reliable. I am also instituting a plan under which both MIS data and our periodic evaluations of projects will be time-phased so that they are available for all refunding decisions.



I am also deeply concerned over the reported laxity of some of our grantees in adhering to our eligibility guidelines. This Program was established to provide legal services to poor individuals---individuals who fit the poverty definition set by the Federal government---and to no one else. I intend to standardize this definition throughout our legal services network---allowing of course for some geographic variations due to differences in the cost of living. In addition I intend to take decisive action in respect to your recommendation that we should require our grantees to comply with our guidelines on such matters as submission of reports, adherence to eligibility criteria etc.

One of the problems here is the exaggerated autonomy which has been conceded to grantees in the past. We accept the fact that project directors and attorneys are not "employees" of the Office of Legal Services and hence are not subject to the same kind of supervision that employees receive. Nonetheless, a grant is a type of contract and the agency supplying Federal funds to a grantee has the right not only to stipulate the goals and the ways in which these goals are to be reached but to insist on compliance and to refuse to refund those grantees who do not comply.

A second factor which has made it difficult to enforce compliance with policy has been the failure by this Office to date to develop a clear and comprehensive set of formal regulations. You say that in 1969 the Office of Legal Services advised you that "it had consciously refrained from issuing guidelines, monographs and formal policy statements on priorities and methodologies because of the belief that such determinations could not be made at the time on the basis of the program's limited experience". This seems to me to be a curious admission from an office which had three years of experience behind it in 1969, but I find it to be almost beyond belief that by January 1973 the Office had still not taken any substantive action in this area. We therefore accept your recommendation that we "more clearly define the objectives and priorities of the program to legal Services Program directors and instruct them on the methodology of engaging in these activities". I have appointed a task force to work full time on this problem, and we hope to have a set of basic directives completed shortly.

## APPENDIX II

In respect to the charges made by several of the judges you interviewed that some of our attorneys were "militants interested only in battling the establishment" and that a number of them indulged in "courtroom disruptions, disrespectful behavior (and) falsification of documents", I can only react at this point in a very qualified way. Neither this office nor the regional offices concerned have received any official complaints from the judges involved nor are we aware of any action taken by a judge or judges before the ethics committee of the State or local bar association with respect to these allegations. Nevertheless, we are conducting an informal investigation and I can assure you that corrective action will be taken, if indicated.

On the other hand, assuming that the GAO's random sampling was intended to provide to some extent a picture of the Legal Services Program in general, it cannot be denied that a number of our lawyers have been guilty in the past of an anti-establishment militancy which has caused them to breach the line between professional and unprofessional behavior. A provision in the bill for a Corporation which was debated in the Senate last year called for legal services attorneys to assist "in the peaceful settlement of disputes within the system of justice". The "system of justice", I take it, includes not only the body of constitutional and statutory law and the usual rules and procedures through which such law is applied to wrongdoing, but also decorum in the courtroom, and respect on the part of the lawyer not only for the judiciary and the bar but for the other institutions of our society. I can promise you that as long as I am in charge of this office, I will insist on adherence to the traditions of ordinary civility and on abstention by our lawyers from participation in hostile demonstrations and confrontations outside the courtroom. Incidentally, I am convinced that the great majority of our field attorneys do not confuse dedication to the cause of the poor with contempt for the society which is trying to make equal access to justice a reality. Most of our lawyers have in the past abided by the accepted standards of the legal profession and I am confident they will continue to do so in the future despite the example being set by a few of their more extremist brethren.

On the question of Judicare, you note that the Office of Legal Services, in setting up the Wisconsin experiment, did not build in a system of data collection for a standard Legal Services Program grantee for comparison purposes. You add:

BEST DOCUMENT AVAILABLE



"Consequently, past evaluations of Wisconsin Judicare, with one exception, were restricted to the identification of project weaknesses without comparisons to standard program grantees." Your judgment is borne out by an article written by Samuel Brakel in the American Bar Association Journal in July of last year. Wrote Mr. Brakel: "Judicare has not been given a fair shake in the evaluation literature that has appeared in recent years. Inadequate evaluations have contributed to the distortion of legal services realities. There are now no grounds for conclusions that judicare is either better or worse, cheaper or more costly than staff attorney programs". At the very time OEO's judicare experiment was being set up, the Director of the Legal Services Program was disparaging the idea, mainly on the grounds that judicare did not lend itself nearly as well to law reform as did the staff attorney system. Pursuant to the recommendations in your Report and to the desires of the Senate as expressed in the Gurney amendment to S. 3010 (in which the Senate by a vote of 87 to 1 directed OEO to conduct a study of alternative methods of delivering legal services) I am conferring with my R&D people on how to build a data base for making fair comparisons between judicare and the staff attorney system.

Another major "deficiency" discussed in your report, is the failure of some grantees to meet the law reform goals of the program. This criticism points up the occupational schizophrenia from which many of our programs have suffered. This has resulted from intense pressure on the attorneys to engage in more law reform (test case litigation, legislative advocacy, group organizing etc.) even if it meant keeping individual clients waiting. As you note: "Grantee officials informed us that their attorneys were fully occupied with meeting the day-to-day needs of such matters as individual casework and that they were therefore unable to devote more time to law reform."

Lest my position be misconstrued, let me say immediately that I am not in principle opposed to class actions, suits against the government, test case litigation, legislative advocacy or any other kind of law reform. Properly considered, they are simply some of the tools which the conscientious attorney must employ on occasion in serving a particular client. What I do strongly object to, however, is the elevation of these tools to the status of ends, separated from the goal of service to individual clients and subordinated in turn to some transcendent goal such as "social change".

## APPENDIX II

Equally as objectionable as the separation made in the past between the goal of "service to individual clients" and the goal of "law reform" is the pressure which has been brought to bear on attorneys to divide their time between these two goals and indeed to treat law reform as the primary goal. I happen to believe, as do many others in and outside the legal profession, that it is bad public policy to pressure legal services attorneys to engage in non-client-initiated advocacy on behalf of legislative proposals which may run counter to the preferences of large numbers (and in many cases the majority) of those whose taxes are being used to pay the attorney salaries. I also believe that it is not only bad public policy but a violation of the Canons of Ethics to push an attorney who is representing a client to do something in the way of law reform which he might not otherwise have done. This is just as bad, it seems to me, as an attempt to inhibit the attorney from doing what his professional judgment tells him ought to be done once he is engaged with his client. In both cases, there is an unwarranted interference with the attorney-client relationship. Yet some of the material (grant conditions, evaluation handbooks etc.) which I have read since assuming my new duties has convinced me that the application of such pressure on attorneys has been a studied policy of the Office of Legal Services for a number of years.

I should add that in expressing my unhappiness with certain aspects of the Program, I in no way mean to reflect on the integrity and competence of the staff who were on board when I arrived. I appreciate the fact that they were aware of the need for some change in the Program and were conscientiously trying to effect such change. In policy matters, there surely is room for honest disagreement.

Because of the short time we had to comment on the draft Report, we were not able to fully investigate all the matters the Report touched on. Nonetheless, I want to thank you again for your valuable contribution to the improvement of the Legal Services Program. Your report will be circulated among my staff for use as an important tool in the effort to fulfill the goal of both the Administration and the Congress: equal access to justice for all citizens through provision of Federal assistance to those citizens whose poverty would otherwise deprive them of such access.

PRINCIPAL OFFICIALS OF THE  
OFFICE OF ECONOMIC OPPORTUNITY  
RESPONSIBLE FOR ADMINISTERING  
THE LEGAL SERVICES PROGRAM  
DISCUSSED IN THIS REPORT

		<u>Tenure of office</u>	
		<u>From</u>	<u>To</u>
DIRECTOR:			
Howard Phillips (acting)	Jan. 1973	Present	
Phillip V. Sanchez	Sept. 1971	Jan. 1973	
Frank C. Carlucci	Dec. 1970	Sept. 1971	
Donald Rumsfeld	May 1969	Dec. 1970	
DIRECTOR, LEGAL SERVICES:			
J. Laurence McCarty (acting)	Feb. 1973	Present	
Theodore Tetzlaff (acting)	June 1972	Feb. 1973	
Wesley Hjernevik (acting)	Mar. 1972	May 1972	
Fred Speaker	Apr. 1971	Feb. 1972	
Art Reid (acting)	Nov. 1970	Mar. 1971	
Terry F. Lenzner	July 1969	Nov. 1970	

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